

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

- a. **Legislation Title:** AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to acquire, accept, and record on behalf of The City of Seattle both temporary and permanent property rights from owners of property located along the alignment of the planned combined sewage conveyance and storage tunnel between 24th Avenue NW and Shilshole Avenue NW in Ballard and Interlake Avenue North and North 35th Street in Wallingford and property abutting the 24th Avenue NW pier in Ballard, that are necessary or convenient to construct, operate, and maintain the Ship Canal Water Quality Project and 3rd Avenue West Water Main Replacement Project, through negotiation or eminent domain (condemnation); placing the real property rights acquired under the jurisdiction of Seattle Public Utilities and designating the property rights acquired for utility and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.
- b. **Summary and background of the Legislation:** This ordinance would authorize the SPU General Manager/CEO to acquire temporary and permanent easements for the Ship Canal Water Quality Project and 3rd Avenue West Watermain Replacement Project. The easements would be along the alignment of the planned combined sewage conveyance and storage tunnel between 24th Avenue NW and Shilshole Avenue NW in Ballard, and Interlake Avenue North and North 35th Street in Wallingford, and property abutting the 24th Avenue NW pier in Ballard. The combined cost of these easements is \$1.5 million.

Seattle's CSO control program seeks to meet State and federal permit requirements to reduce the size and number of sewer overflows into receiving water bodies. As part of a Consent Decree to bring the City into compliance with the federal Clean Water Act, SPU developed a plan proposed several projects that would reduce CSO overflows. The largest of those projects, the Ship Canal Water Quality Project, addresses wastewater storage capacity needs in the Ballard and Fremont/Wallingford areas. Nearly 70% of the City's CSO overflows associated with the Plan occur from these basins. This project will store wastewater in a deep underground tunnel that is generally in the street right-of-way, but will cross under private property in some locations, thereby requiring temporary and permanent property rights for the construction and operation of the permanent facility.

The 3rd Avenue West Watermain Replacement Project is related to the Ship Canal Project only insofar as the two projects will impact the same piece of property and will be constructed within a year of each other. The 3rd Ave. project involves constructing a water main to connect the distribution grids in Fremont and Queen Anne. In July 2011, a 24-inch water main inside a submerged utilidor in the Ship Canal was taken out of

service due to a leak. Following completion of King County's Fremont Siphon project later this year, SPU will replace the decommissioned water main. The new water main will be in the right-of-way north and south of the Ship Canal and within the utilidor, near work for the Ship Canal Water Quality Project (construction 2019-2025). Both projects would share one of the subject properties for construction staging.

SPU desires to acquire property rights through voluntary acquisitions. However, this legislation includes authorization for condemnation should efforts to conclude voluntary acquisitions not be successful.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? Yes No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs? The legislation will help the City meet the requirements of its federal Consent Decree. Funds to acquire temporary and permanent property rights and to complete the project are allocated in SPU's Drainage and Wastewater Fund. There are cost estimates identified for maintenance of the property which do not include future operations and maintenance costs for a proposed future CSO storage facility.
- c. Is there financial cost or other impacts of *not* implementing the legislation? Major sites have been purchased (totaling \$14.5 million) for the tunnel boring machine launch site and pump station for this project. The tunnel alignment is primarily in the right-of-way and the most direct path to capture CSO flows from seven uncontrolled CSO Basins. If the legislation is not approved, SPU would return to performing alternate routing of the tunnel alignment which would still require temporary and permanent property rights in other locations with higher costs and impacts.

Delays in securing temporary and permanent property rights would jeopardize the project schedule. The City has a federal Consent Decree that requires the CSO project to be completed no later than December 31, 2025, and faces stipulated penalties of \$5,000 per day for failure to complete the CSO Project and \$2,500 per day for each sewer overflow.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? No. However, an adjacent dock owned by the Seattle Department of Transportation and maintained by the Department of Parks and Recreation will be used as a barging facility to haul spoils from the construction of the underground facility. In addition, the Ballard

Railroad, which is privately owned but located on Seattle Department of Transportation land, is being considered for hauling spoils and for delivering equipment. A Memorandum of Agreement has been approved for use of the dock and discussions are underway to secure agreements to use the railroad. SPU and FAS have an MOA to lease excess property to SPU during project construction (2018-2025). An ordinance will be prepared in 2026 to transfer jurisdiction of the portion of the site to SPU that is required for the completed Ship Canal Water Quality Facility. Excess property will be retained under the jurisdiction of FAS. Additional temporary and permanent property rights may also be needed from Seattle Department of Transportation, Seattle City Light, and the Seattle Department of Parks and Recreation along the tunnel alignment. Discussions are ongoing to obtain the necessary property rights from these departments.

b. Is a public hearing required for this legislation?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No. SPU will contact tenants of affected properties to provide relocation assistance in accordance with federal and city relocation requirements.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes.

e. Does this legislation affect a piece of property?

Yes. Maps showing the locations of the affected properties are attached to the ordinance.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

None. The neighborhoods that have the highest potential to be affected include Ballard, Fremont and Wallingford. Disproportionate impacts to minority or low income populations are not expected.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

Not Applicable.

h. Other Issues: None